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ALTIVIA CORPORATION
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Office of Proceedings

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Part of Public Record

Surface Transportation Board 395 E Street SW Washington, DC 20423 Attn: The Honorable Anne K. Quinlan Acting Secretary



Re: Docket Number 35219

Dear Acting Secretary Quinlan,

Please accept this letter into the above reference docket in response to the filing of the Union Pacific Railroad Company dated April 30, 2009, in which UP states on page 9 that no party contends that it needs chlorine from U.S. Magnesium at the four destinations addressed in Union Pacific Railroad's Petition for a Declaratory Order. ALTIVIA Corporation is a producer of sodium hypochlorite (bleach) with plants in Houston, TX and St Gabriel, LA. As a purchaser of chlorine from various chlorine producers it is our desire to have a variety of options available when sourcing raw materials.

Last year we established a relationship with U.S. Magnesium and purchased one railcar of product in December. We undertook this process with the intent of establishing an ongoing supply agreement. While chlorine has been readily available, current market conditions are resulting in a tighter supply situation, as well as, rapidly escalating prices. Due to the cyclical nature of chlor-alkali we anticipated these changes and wanted to have the option of buying chlorine from U.S. Magnesium and have it shipped from their facility in Rowley, UT to our plant site in Houston. We view U.S. Magnesium as a viable long term suppler offering quality product and pricing that is competitive in the market. It is our understanding that the Union Pacific Railroad has refused to quote freight rates to U.S. Magnesium into our facility for the supply of chlorine. ALTIVIA Corporation strongly disagrees with this decision and we support U.S. Magnesium in its efforts to overturn this decision on the part of the Union Pacific Railroad.

As a producer of sodium hypochlorite and user of chlorine we are aware of the vital role chlorine plays in our business, as well as, our everyday lives. We believe that

The Chlorine Institute provides adequate guidelines for the safe handling of chlorine and that there are ample regulatory controls in place to ensure the safe shipment of chlorine by rail. This action by the Union Pacific limits our ability to purchase needed product from one of our suppliers of choice. It has the potential of reducing the competitive environment and having a negative financial impact on the Company.

For the above reasons we request that the Surface Transportation Board rule in favor of U.S. Magnesium.

Very truly yours,

**ALTIVIA Corporation** 

Wade H. Khoury

**General Manager** 

**Aluminum & Specialty Chemicals** 

Wade N. Zhowson